

# **THE VIRGINIA ENTERPRISE INITIATIVE**

## **Program Design And Grant Proposal Application**

**Virginia Department of Housing and Community Development  
Office of Community Revitalization and Development  
501 North Second Street  
Richmond, Virginia 23219  
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## **VIRGINIA ENTERPRISE INITIATIVE OVERVIEW AND PROGRAM DESIGN**

### **DESCRIPTION**

The Virginia Enterprise Initiative (VEI), administrated by the Virginia Department of Housing and Community Development, was created in 1995 to advance opportunities for self-employed entrepreneurs or “microenterprises” who lack access to business training and capital. The VEI program promotes microenterprise development by providing support to organizations statewide that will deliver microenterprise services. VEI provides seed grants and technical assistance to organizations that establish partnerships with banks, area businesses, educational institutions, or other private and public concerns in the community.

As part of its program design, each VEI funded site must be committed to offering four basic components to its clients, business skills training, technical assistance, microloans, and follow-up assistance. In business skills training, entrepreneurs receive information from experienced instructors on basic business principles. Entrepreneurs are provided with a foundation of skills needed to operate a business. The topics of the training course include bookkeeping, marketing, financing, insurance, and personnel management. Once instruction is completed, participants need one-on-one technical assistance to evaluate their business concept and plan. This is done through intensive counseling from the microenterprise program during the entrepreneur’s business planning process. If the concept proves to be feasible, the entrepreneur will be assisted in preparing documents to package a loan proposal. VEI microloans must be at least \$500 but cannot exceed \$25,000. Finally, any entrepreneur receiving a microloan must have access to follow-up assistance. There are many challenges that face microbusinesses, especially those just starting. Therefore, VEI sites must continue providing assistance to its participants once they are in business. Follow-up assistance must be conducted on a regular basis and be responsive to the immediate needs of the entrepreneur.

### **PROGRAM OVERVIEW**

The Virginia Department of Housing and Community Development will select sites through a competitive application round. Through the selection process, the participating organizations, whether new or existing, will demonstrate community need, organizational capacity to implement the VEI program, and positive impact.

The Virginia Department of Housing and Community Development will support the selected sites by providing ongoing funding for training, technical assistance, and peer exchanges and public education efforts.

## FUNDING

The Virginia General Assembly has appropriated \$1.2 million for fiscal year 2000 to provide grants to sites interested in microenterprise development. Through a competitive application process, fourteen to seventeen sites will be selected. Grant amounts will range from \$50,000 to \$80,000 based on the site's service area and client base. Funding will be for a two-year period contingent upon continued funding and satisfactory performance.

## PROGRAM DESIGN

The VEI program will be administered through microenterprise programs that will work with disadvantaged entrepreneurs toward starting or expanding their own business. The selected sites will implement the VEI program so that it coordinates with other programs provided by the site and/ or community partners that encourage microenterprise development.

Approved VEI sites must offer or broker the following services.

- **Business Skills Training** - Basic business principles are covered by qualified instructors with expertise in small business development, usually in a classroom setting. Entrepreneurs are provided with a foundation for the skills needed to operate a business. The range of topics should include bookkeeping, marketing, financing, insurance, and personnel management.
- **Technical Assistance** - Once instruction is complete, participants will need to evaluate their business concept. This is done with counseling from the microenterprise program which guides the entrepreneur through the business planning process. If the concept proves to be feasible, the entrepreneur will be assisted in preparing documents to package a loan proposal.
- **Microloans** - Loans are provided to participants in a microenterprise program to finance their business. The maximum loan amount is \$25,000 and the minimum amount is \$500. Loan approval and repayment terms are decided by a loan review committee that can include program staff, bank partners, and interested citizens from the community. All individuals requesting loans must demonstrate that they have been denied access to capital (a loan) at a traditional financial institution.
- **Follow-Up Assistance** - There are many challenges that face microbusinesses, especially those just starting. Therefore, microenterprise programs must continue providing assistance to its participants once they are in business. Follow-up assistance must be conducted on a regular basis and be responsive to the immediate needs of the entrepreneur.

## BUDGET REQUIREMENTS

Microenterprise services may be delivered in a variety of ways to ensure maximum access by a community. While an organization may provide clients with an array of other assistance, the use of VEI funds is limited to operating, managing, and delivering a microenterprise program. Services such as transportation, day care, or English language skills may also be funded through VEI if they are clearly designed to increase access to a microenterprise program. Creative and entrepreneurial approaches are often required to effectively serve targeted customers. Applicants may propose budgeting VEI funds in a variety of ways but will be required to justify the need for VEI assistance and how it is integral to the achievement of both community and program objectives.

The effectiveness of VEI depends on its ability to leverage other public and private resources. A particular emphasis of VEI is placed on funding sustainable training services. The experience of microenterprise practitioners has been that funding sources for training have been limited. In addition, VEI encourages that practitioners build relationships with banks and other providers of loan capital to capitalize loan pools. To be effective at leveraging resources from diverse sources, VEI must be flexible and have the ability to fill funding gaps and to fund services for which no other investor can be identified.

## LEVERAGING REQUIREMENTS

Applicants must leverage resources by matching VEI grants. Proposals must indicate the source matching funds and provide documentation of commitment from funding sources. Funds committed for existing microenterprise services will be considered eligible as a VEI match only if VEI money is used to expand the scope of those services. The amount of match depends on the proposed use of VEI grant funds. Applicants proposing to use VEI assistance to directly or indirectly capitalize a revolving loan fund or provide a credit enhancement for microenterprise loans will be required to demonstrate a three-to-one non-VEI to VEI matching ration. As an example, a proposed use of \$25,000 of VEI grant funds as a loan loss reserve account would require at least \$75,000 be committed for the loan pool from other sources.

The matching ratio required for VEI grant funds used for training, technical assistance, administration, and other program expenses beyond the actual loan pool will be one-to-four non-VEI to VEI funds. As an example, a proposed use of \$45,000 of VEI grant funds for technical assistance and administration would require that at least a \$11,250 cash or **in-kind** match be committed from other sources for non-loan pool items.

The structure of the match requirements is intended to reflect the limited resources available to support the basic operation of a microenterprise loan program. Also reflected is a belief that private sector capital is available for loan pool capitalization provided credit enhancements can be provided in the form of loan loss reserve accounts, loan guarantees, and by increasing the capacity of organizations to deliver microenterprise support services. These match requirements represent threshold criteria and respondents are encouraged to explore opportunities to increase their leverage of VEI grants.

## CRITERIA FOR PARTICIPATION

- **Eligibility to Apply** - The Virginia Enterprise Initiative focuses primarily on community-based nonprofits for the delivery of microenterprise services through partnerships with banks and other private or public resources. While eligibility is not restricted to community-based nonprofits, other respondents such as general nonprofits, local governments, planning district commissions and economic development organizations must demonstrate their ability to take a community-based approach to microenterprise. Community-based approaches involve participation from a broad base of citizens in a community to achieve a common goal .

VEI respondents will be required to demonstrate that they have or will have the capacity to implement a microenterprise program to be eligible to apply.

- **Staffing** - Applicants must have adequate staff resources available to operate the microenterprise program. This includes at least one full-time staff person dedicated to microenterprise development.
- **Leveraging** - Applicants must describe how resources will be leveraged by matching Virginia Enterprise Initiative grants. Internal and external sources of matching funds must be identified in the program proposal application. Commitment letters that detail the amount and conditions for participation must be given for sources as proof of matching VEI grant monies.

The amount of the match depends on the proposed use of VEI grant funds. Respondents proposing to use VEI assistance to directly or indirectly capitalize a revolving loan fund or provide a credit enhancement for microenterprise loans will be required to demonstrate a three-to-one non-VEI to VEI matching ratio. The ratio required for VEI grant funds used for training, technical assistance, administration and other program expenses beyond the actual loan pool will be one-to-four non-VEI to VEI funds.

- **Relationship to Existing Funding** - Each responding organization will be required to certify that VEI funding will be used to create a new program or to continue or expand an existing program. Under no circumstances can VEI funding be used to replace previously committed funding for microenterprise support.
- **Program Design** - Each applicant will be required to submit a program design for their microenterprise services. At a minimum, the program design must include: a description of the organization, a detailed description of proposed microenterprise services, an identification of partners and the roles each will play, a detailed description of how the program will operate, information on funding sources, uses of funds including a detailed budget, the geographic area served, description of target market with a customer profile, planned marketing and outreach efforts, a schedule and plan for sustainability, target goals and measures of impact, and a system to encourage accountability.

- **Marketing Plan** - In addition to offering these four components to its participants, the selected site must also have a written marketing plan demonstrating how it will market its program to interested individuals. This plan should include all efforts that will be made by the selected site but also all partners and community groups the organization will work with to advertise its services.

## PROJECT SELECTION

- **Community Assessment** - The Virginia Enterprise Initiative is a community-based economic development effort focused on individuals who lack access to business capital and training. Emphasis will be placed on the level of community involvement in designing a microenterprise program. Organizations must identify the needs of potential and existing entrepreneurs, determine the strengths and weaknesses of available resources for self-employment development, and provide details of how microenterprise services will be made accessible.

In addition, organizations must identify other microenterprise services available in the community, if any exist. In cases where there is more than one microenterprise program, respondents will need to justify that their organization will be the best provider of services for that community.

- **Microenterprise Services** - A detailed description of services offered and how they will be delivered must be included in the proposal application. The program design must detail the system of serving entrepreneurs in a comprehensive manner and how the components for training, technical assistance for starting and operating a business, and lending will be integrated.
- **Program Impact** - After an assessment is complete and the scope of a program's services is determined, a system to measure success must be provided. Measures can be both qualitative and quantitative, but must directly relate to how the program impacts the identified needs of individuals and the community as a whole.
- **Management** - The program's existing or proposed management system needs to be described to evaluate the capacity of the organization. While services can be provided internal or external to the organization, the proposal application must provide a critical analysis of how the delivery of effective services will be managed.
- **Partners** - Partnerships are a foundation of the Virginia Enterprise Initiative; therefore, the process used in developing the organization's team must be included. The organization must describe the potential partners identified, the criteria for choosing partners, and the extent of each partner's involvement. It is important for partners to have long range commitments to ensure sustainability of loan funds, training and administration. In addition, an evaluation of each partner must be included to highlight abilities and limitations and how limitations will be overcome.

- **Sources and Uses of Funding** - The need for VEI funding must be justified for its use to create, continue or expand a microenterprise program. The funding cannot be used to replace other dedicated funds for a microenterprise program. Organizations must detail how VEI monies will be used, the sources for matching VEI grant money, and the leverage produced from the matches.



## **APPLICATION PROCESS FOR THE VIRGINIA ENTERPRISE INITIATIVE**

Applications for Virginia Enterprise Initiative (VEI) Funding will be accepted by the Virginia Department of Housing and Community Development through 5:00 p.m. on October 1, 1999. Submissions must be hand delivered or sent by certified mail with an October 1, 1999 or earlier postmark.

Each applicant's proposal must include the following sections:

1. Cover Sheet (Form included in application package)
2. Answers to Narrative Questions
  - I. Organizational Capacity
  - II. Service Area
  - III. Project Need
  - IV. Program Design
  - V. Marketing Plan
  - VI. Program Impact
  - VII. Sustainability
3. Budget Documentation (Budget forms included in application package)

Send one original, along with seven copies, to:

Nicole J. Thompson  
Virginia Department of Housing and Community Development  
Office of Community Revitalization and Development  
501 North Second Street  
Richmond, Virginia 23219

No faxed responses will be accepted. All attachments must be included with each copy, in addition to their inclusion with the original.

For more information on this grant proposal application, contact Nicole J. Thompson at (804) 371-7030.

## **INSTRUCTIONS FOR THE VIRGINIA ENTERPRISE INITIATIVE GRANT PROPOSAL APPLICATION**

### **1. Cover Sheet**

Complete form “Virginia Enterprise Initiative Program Cover Sheet” and place in the front of the grant proposal application submitted. The form should identify the actual applicant for the grant of the lead organization in the case of a consortium approach.

### **2. Narrative Questions**

Please submit answers to the Narrative Questions on single-sided sheets, not to exceed a total of fifteen type-written pages. The questions may be answered in a narrative format, however, please organize the answers per the seven selection areas: Organizational Capacity, Service Area, Project Need, Program Design, Marketing Plan, Program Impact, and Sustainability. All required attachments should follow the corresponding section.

The length of any specific answer to a question or section length is at the discretion of the applicant. However, any question not answered will result in a lower score.

### **3. Budget Forms**

#### **General**

The time frame for this microenterprise program budget begins October 1, 1999 and ends September 30, 2000. (Contracts will be retroactive to October 1, 1999). This budget and financial information is for your microenterprise program; it does not include information about your organization that is outside of microenterprise programs. Please note that indirect costs are not allowed under the VEI. This budget summary includes both cash and non-cash (in-kind) amounts for your microenterprise program. In-kind contributions will also be detailed in Sources of Funds and Summary of In-Kind Contributions. For guidance about in-kind contributions, please refer to, Standards for Documentation of In-Kind Contributions (page 15).

## **BUDGET FORM: SUMMARY**

### **Microenterprise Program Services (Columns)**

There are five (5) pre-printed program services headings on the chart:

- A. Administrative
- B. Business Skills Development
- C. Technical Assistance
- D. Microloan Fund
- E. Follow-up Assistance
- F. Additional Program Services

The last four categories, B to E, are the same four program services that are required components of a microenterprise program. Category F is included for additional microenterprise program services that are integral parts of your microenterprise program. For example, if your microenterprise program offers transportation services for entrepreneurs as part of its overall program delivery, then that may be considered a program service.

Feel free to insert other headings that are relevant to your project in Category F and, if appropriate, on additional sheets as necessary.

Columns X, Y and Z are pre-printed and self-explanatory. Simply show the subtotal costs for VEI, non-VEI and totals for each cost category described below.

### **Cost Categories (Rows)**

The estimated costs for each cost category must be completed as accurately as possible with the most currently available cost estimates. Each cost category should be spread across each applicable program service heading previously described.

#### **Category 1: Personnel**

List on lines 1.a. Salaries and 1.b. Fringe Benefits those cost categories which represent microenterprise program. Include total amounts which include both cash and in-kind contributions.

#### **Category 2: Travel**

Self-explanatory.

#### **Category 3: Equipment/Furnishings**

List total (cash and in-kind) amounts for equipment and furnishings, generally items that have a useful life of more than one year. Computers are considered as equipment. Place in appropriate program services columns.

#### Category 4: Office Expenses

List total cash and in-kind for office expenses. Include supplies which generally are used up within one year. Also include cost for telephone, fax, copier and office incidentals.

#### Category 5: Contractual

List each general kind of contractual service that may be included. Examples may include consulting contracts and business training contracts. Spread the cost across the appropriate program services.

#### Category 6: Occupancy Expense

List the occupancy expense such as the rent or mortgage amounts for space provided. Include both cash and in-kind and place in the appropriate program services columns.

#### Category 7: Loan Fund

List the amount of loan pool, loan loss reserve, grant, or other designated use of loan funds. Spread the amount to the microloan fund program service category only.

#### Categories 8 to 12:

Indicate the cost category and list the amount related to that category. Spread across the program services as appropriate. Note: Indirect costs are not allowed.

#### Line 13: Total

Enter the totals of each column, A through F. Line 13, Column X should equal the subtotal VEI project cost. Column Y should equal the total non-VEI project cost and Column Z should equal the Total Project Costs.

#### Lines 14 and 15:

These require that you break out the total cost of each activity (Line 13) into VEI grant funds (Line 14) and all other funds (Line 15). The sum of Lines 14 and 15 should equal the total on Line 13.

## **BUDGET FORM: SUMMARY OF IN-KIND CONTRIBUTIONS**

This budget sheet is a subset of the Budget: Summary. This budget sheet provides documentation related to the in-kind contributions that are part of your total microenterprise program.

### **Elements of In-Kind Contribution (Columns)**

There are three (3) elements of in-kind contributions on the chart:

- A. Source of Contribution
- B. Value of Contribution
- C. Valuation Methodology

Each of these three columns should be completed for all in-kind contributions that are included as part of your microenterprise program.

#### **Column A: Source of Contribution**

Briefly indicate the source of the contribution such as XYZ organization or the ABC Bank of Virginia.

#### **Column B: Value of Contribution**

Indicate the dollar value of the in-kind contribution.

#### **Column C: Valuation Methodology**

Describe the methodology used to value the in-kind contribution. For guidance, refer to Standards for Documentation of In-Kind Contributions (page 15).

***All in-kind contributions must be documented by letters of support in order to be counted toward the VEI program's matching requirements.***

### **Cost Categories (Rows)**

The in-kind costs for each cost category must be completed as accurately as possible based on documentation of in-kind contributions. For each cost category included, provide information in each column across the sheet.

Each cost category is described in the previous section which summarizes the total budget, both cash and in-kind.

## **BUDGET FORM: SOURCES OF FUNDS**

### **Item 1: Sources of Funds**

This section requires a breakout of all funds involved in the project by amount, percentage of total project cost which the amount represents, amount of in-kind contributions by source, and source of program. Refer to Standards for Documentation of In-kind Contributions on page 15 for guidance on valuation of in-kind.

List the amount of VEI funds requested (this figure should correspond to the VEI request on the Cover Sheet, and on Line 13, Column X on the Budget Summary).

List the total amounts of all types of funds included in the project costs; provide the percentage of total project cost which the amount represents; list the agency or organization and the program providing the funds. If the amount is from more than one source or program, list each separately. If this is a regional proposal application, list the local share by each participating locality.

State-administered (non-entitlement) CDBG funds should be included as state funds; Federal (entitlement) CDBG funds should be included as federal. Identify each bank and amount participating in the microprogram. If Program Income is included, provide details about the source and amount of program income such as repayment of loans (both principal and interest) and program fees or charges. If the space provided is not adequate, include an attachment listing the sources of funds with total amounts, percentage of total, in-kind amount, and source/program.

### **Item 2: Status of Non-VEI Funds**

Describe the status of and process for obtaining other funds for this project. Have commitments been received? Have formal agreements been signed? Attach letters of documentation and commitment. Provide the strongest documentation you may have at the time of application.

## Standards for Documentation of In-Kind Contributions

A. **General:** This section provides guidance and procedures for the allowability and valuation of in-kind contributions. In-kind contributions may be used to fulfill a grantee's match requirements under the Virginia Enterprise Initiative provided that the following three conditions are met:

1. The activity involved is necessary to accomplish the objectives of the proposed project and is reflected in the budget included with the proposal application;
2. There is documentation of a commitment to provide the in-kind contribution as evidenced by a letter from the individual or organization donating the good or service; and
3. There is an appropriate valuation of the in-kind contribution in accordance with the standards outlined below.

B. **Definitions:** The following definitions apply for the purpose of the Virginia Enterprise Initiative grant program:

Project Costs: Project costs are all allowable costs as outlined in the Virginia Enterprise Initiative Program Design that will be incurred by the grantee and the value of the in-kind contributions made by the grantee, its partners, or any third parties to accomplish the objectives of the microenterprise program during the project or program period.

Cash Contributions: Cash contributions represent the grantee's cash outlay, including the outlay of money contributed to the grantee by public sector agencies and institutions, private organizations and individuals.

In-Kind Contributions: In-kind contributions represent the value of noncash contributions provided by the grantee, public sector agencies and organizations, private organizations and individuals. In-kind contributions may be in the form of real property and nonexpendable personal property and the value of goods and services directly benefiting and specifically identifiable to the Virginia Enterprise Initiative project.

C. **Applicability:** All contributions, both cash and in-kind, shall be accepted as part of the grantee's matching share when such contributions meet all of the following criteria:

1. Are verifiable from evidence of commitment provided by the grantee;
2. Are not included as contributions for any other grant program;
3. Are necessary and reasonable for proper and efficient accomplishment of the Virginia Enterprise Initiative project objectives;
4. Are provided for in the budget submitted with the project proposal application; and
5. Are reasonably valued in accordance with the procedures outlined in this Appendix.

**D. Valuation of In-kind Contributions:** Specific procedures for grantees in establishing the value of in-kind contributions are set forth below:

Valuation of In-Kind Services: In-kind services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. In-kind service may be counted as match if the service is an integral and necessary part of the Virginia Enterprise Initiative project. A distinction is made between individual service providers (in-kind) and volunteers provided by organizations when establishing the value for the in-kind service.

1. Rates for individual service providers: Rates for individual service providers should be consistent with those paid for similar work in other work activities of the grantee. In those instances in which the required skills are not found in the grantee organization, rates should be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of service involved.
2. Rates for in-kind services provided by organizations: When an employer furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead cost) provided these services are in the same skill for which the employee is normally paid.

Valuation of Donated Expendable Personal Property: Donated expendable property includes such items as expendable equipment, office supplies or workshop and classroom supplies. Values assessed to expendable personal property included as a match to the Virginia Enterprise Initiative grant should be reasonable and should not exceed the fair market value of the property at the time of donation.

Valuation of Donated Nonexpendable Personal Property, Buildings, and Land or, Use Thereof: The method used for claiming a match for donated nonexpendable personal property, buildings and land may differ depending upon the project needs of the Virginia Enterprise Initiative grantee:

**Ownership Required:** If the purpose of the proposed project is to furnish equipment, building or land to the grantee or otherwise provide a facility, the total value of the donated property may be claimed as a match.

**Use Required:** If the purpose of the proposed project is to support activities that require the use of equipment, buildings, or land on a temporary or part-time basis, use charges based on the fair rental value of the equipment, buildings or land may be claimed as a match.

**E. Methodology for Valuation:** The value of donated property will be determined in accordance with the following procedures:

Land and Buildings: The value of donated land and buildings may not exceed its fair market value, at the time of donation to the grantee as established by an independent appraiser and certified by a responsible official of the grantee.



Nonexpendable Personal Property: The value of donated nonexpendable personal property shall not exceed the fair market value of equipment and property of the same age and condition at the time of donation.

Use of Space: The value of donated space shall not exceed the fair rental value of comparable space as established by a survey of three or more privately-owned buildings in the same locality.

Loaned Equipment: The value of loaned equipment shall not exceed its fair rental value.

- F. **Supporting Documentation:** The applicant must document its methodology and conclusions for valuing in-kind contributions. For purposes of the Virginia Enterprise Initiative Proposal Application, documentation should include letters of commitment, description of the methodology used to establish value, and a statement of value for each in-kind contribution to the proposed project.

## VEI EVALUATION CRITERIA

Grant proposal applications for microenterprise programs will be reviewed and ranked on a competitive basis. Ranking categories include: organizational capacity, service area, program need, program design, marketing plan, program impact, and sustainability. These categories are assigned points based on their relative importance.

POINTS	CATEGORIES
<b>Existing VEI Site</b> <b>20</b>	
<b>New VEI Site</b> <b>35</b>	<b>Organizational Capacity</b>
	<ul style="list-style-type: none"> <li>• Demonstrated ability of organization to provide or broker comprehensive microenterprise services (training, technical assistance, loans, and follow-up assistance)</li> <li>• Demonstrated relationship between organization and community</li> </ul>
<b>Existing VEI Site</b> <b>10</b>	
<b>New VEI Site</b> <b>10</b>	<b>Service Area</b>
	<ul style="list-style-type: none"> <li>• Well-defined area and target population and demonstrated ability of organization to serve area</li> <li>• Demonstrated relationship between organization and potential clients</li> </ul>
<b>Existing VEI Site</b> <b>5</b>	
<b>New VEI Site</b> <b>10</b>	<b>Project Need</b>
	<ul style="list-style-type: none"> <li>• Clearly-defined need driven by community-based approach and involvement</li> <li>• Proposed response to identified need</li> </ul>
<b>Existing VEI Site</b> <b>30</b>	
<b>New VEI Site</b> <b>20</b>	<b>Program Design</b>
	<ul style="list-style-type: none"> <li>• Relationship/ fit of program design to key providers</li> <li>• Clearly-defined program which effectively provides all four components of microenterprise program</li> <li>• Degree of commitment of other resources</li> <li>• Appropriateness of providers and their committed resources</li> </ul>

<b>Existing VEI Site</b>	<b>10</b>	
<b>New VEI Site</b>	<b>10</b>	<b>Marketing Plan</b> <ul style="list-style-type: none"> <li>• Well-defined plan to ensure program is marketed to all potential clients throughout service area</li> </ul>
<b>Existing VEI Site</b>	<b>20</b>	
<b>New VEI Site</b>	<b>10</b>	<b>Program Impact</b> <ul style="list-style-type: none"> <li>• Impact of program on identified need</li> <li>• Evidence of well-designed evaluation system</li> <li>• Likelihood of actual entrepreneurs and business development</li> </ul>
<b>Existing VEI Site</b>	<b>5</b>	
<b>New VEI Site</b>	<b>5</b>	<b>Sustainability</b> <ul style="list-style-type: none"> <li>• Evidence of well-designed plan to obtain funding from other sources</li> <li>• Relationships with other potential/ current funders</li> </ul>

**VIRGINIA ENTERPRISE  
INITIATIVE GRANT  
PROPOSAL  
APPLICATION**

**VIRGINIA ENTERPRISE INITIATIVE PROGRAM  
COVER SHEET**

**ORGANIZATION** \_\_\_\_\_

**CONTACT PERSON** \_\_\_\_\_

**STREET ADDRESS** \_\_\_\_\_

**CITY, STATE, ZIP CODE** \_\_\_\_\_

**PHONE NUMBER** \_\_\_\_\_

**FAX NUMBER** \_\_\_\_\_

**EMAIL** \_\_\_\_\_

**FED. I.D. NUMBER** \_\_\_\_\_

	<b>VEI Request</b>	<b>Match</b>
Amount requested for Microloan Fund	\$	\$
Amount Requested for other Microenterprise Activities	\$	\$
Total	\$	\$

## **NARRATIVE QUESTIONS**

### **I. ORGANIZATIONAL CAPACITY**

- A. Describe your organization:
- How long it has been in existence
  - The overall mission
  - The goals and objectives
  - The current primary services delivered
  - Include your organization's mission statement and an organizational chart of the ENTIRE organization
  - Include listing and description of organizations and community partners and any memorandums of understanding or other contracts
  - If non-profit, include non-profit status determination letter from the IRS
- B. For the last two fiscal years, please indicate the amount spent on each service program, how many people were served in each program, and the revenue source.
- Include your organization's last fiscal year audit or year-end financial statement, where an audit was not performed.
- C. Describe your microenterprise program:
- Its goals and objectives
  - If this is an existing program, how long has it been in existence
- D. Describe your current staff for the microenterprise program.
- List **all** staff persons by name and job title that will be involved in the operation of your microenterprise program.
  - Include job descriptions of all staff and a resume for each microenterprise staff person.
  - Indicate the amount of time dedicated to the microenterprise program by each staff person.
  - Include an organization chart for your microenterprise program. (Include on this chart all partners that may be involved in the microenterprise program)

### **II. SERVICE AREA**

- A. Describe what geographic areas will be served by your microenterprise program. If this is an existing microenterprise program that will be expanding, please indicate the existing service area and any new areas being added to your service area.
- B. Describe any targeting of your program to specific populations located in your proposed service area.
- C. Describe your current involvement and experience in working with your target population.

- D. Include a map of the proposed service area.

### III. PROJECT NEED

- A. Describe the need your proposed program will meet. Include any community based needs assessments which support the need for microenterprise.
- B. Describe how the program will benefit your targeted service area and/ or population.

### IV. PROGRAM DESIGN

- A. Describe the process used by your program which a client will receive microenterprise services, beginning with initial contact through each phase of your program.
- B. Describe how your program will provide **business skills training**.
- Who will provide this training (if this training is to be provided by an organization other than your organization, provide contracts and letters signed by you and the organization which clearly documents what services will be provided)
  - The qualifications of the trainers and organizational experience working with the targeted population (include a resume of all trainers and/or speakers)
  - Course length (number of hours per week and number of weeks)
  - Describe the training curriculum and include a copy of the curriculum to be used
  - Describe any special arrangements your organization will provide to potential clients during the training course (i.e. child care, transportation)
- C. Describe how your program will address **technical assistance**.
- Include all assessment forms that will be used by your organization to determine client need and progress.
  - Who will provide the technical assistance (if this technical assistance is to be provided by an organization other than your organization, provide contracts and letters signed by you and the organization which clearly documents what services will be provided)
  - The qualifications of the technical assistance provider and experience working with the targeted population (to include a resume)
- D. Describe your program's loan pool.
- Total amount in loan pool
  - Contributors to loan pool (and individual amount)
  - Describe the mechanics of your loan pool. This should include how the money is contributed to the loan pool and how the money is distributed as loans.

- Specifically identify and provide documentation of any financial agreements between the microenterprise program and the program's loan pool underwriters (i.e. banks, foundations, federal agencies)
  - Include letters from all contributors documenting amount provided, terms, and structure
- E. Describe how your program will document that a potential entrepreneur has exhausted other resources and is eligible to receive a loan through the VEI program.
- F. Describe your program's loan structure.
- Identify who will manage the loans and describe how the loans will be managed
  - Include any documents/ forms used for loan closings
  - Include rate and term structuring fees and policies
  - Include credit scoring or evaluation procedures for loan determination
  - List loan review committee members (include letters of acceptance to serve on this committee)
- G. What steps will your program take to notify and document loan applicants who are denied a loan through your program and what follow-up assistance will you provide to assist them.
- H. Describe how your program will provide follow-up assistance to entrepreneurs receiving loans.
- Who will provide the follow-up service (if follow-up assistance is to be provided by an organization other than your organization, provide contracts and letters signed by you and the organization which clearly documents what services will be provided)
  - The qualifications of the follow-up assistance provider and experience working with the target population
  - Include all forms and documentation used by your organization to track the success of the entrepreneur, what new needs and issues arise, and client progress
- I. Describe how your organization will ensure that all microenterprise services will be accessible throughout your targeted service area.
- J. Describe any unique program features that will enhance your ability to meet the program goals.
- V. MARKETING PLAN**
- A. Describe how you will recruit potential clients. Include a listing of all local organizations you will work with and describe how you will work with these local



organizations to market your program. Include any marketing information on your program (brochures, flyers, etc).

## **VI. PROGRAM IMPACT**

- A. What are your service delivery targets for a twelve month period:
- Number of people to be trained
  - Number of people receiving technical assistance
  - Number of hours providing technical assistance
  - Number of loans distributed by your organization
  - Number of people receiving follow-up assistance
  - Number of hours providing follow-up assistance
- B. Describe your evaluation process for determining program impact, including your definition of success for your program.
- C. Justify the need for VEI funding for the success of your microenterprise program.

## **VII. SUSTAINABILITY**

- A. Provide information on current funders. Include name of organization, amount of funding, use of funding, and how long you have received this funding.
- B. Identify potential sources for generating an income stream. Include the status of these potential funding sources.

**NOTE:** ALL LETTERS OF COMMITMENT AND SUPPORT AND MEMORANDUMS OF UNDERSTANDING MUST BE CURRENT. SPECIFY THE AMOUNT OF IN-KIND SERVICE PROVIDED AND HOW IT IS CLEARLY LINKED TO THE MICROENTERPRISE PROGRAM.

# **BUDGET DOCUMENTATION**